



## **Chelsea Logistics swings into operating profit 2Q2023 EBITDA up 8x to P493 Million**

15 August 2023 – The Chelsea Group generated a P188 Million Operating Profit in the second quarter as it maintained its positive momentum during the year with continued year-on-year and sequential improvements in Revenues, Gross Profits and EBITDA. This is the first time the Company has posted a quarterly Operating Profit since 4Q2019. EBITDA for the second quarter rose eight-fold year-on-year to hit P493 Million.

On a cumulative basis, Revenues were also up year-on-year and combined with a lower increase in Cost of Sales and Services and Other Operating Expenses, resulting in a substantial increase in Gross Profits as well as moving into positive territory with an Operating Profit of P164 Million for the first half of the year. The EBITDA for the first half of 2023 grew 189% to P847 Million.

Revenues for the second quarter were up 10% year-on-year and 9% quarter-on-quarter to P1.869 Billion, the highest quarterly Revenue posted since the March 2020 lockdown and just 8% less than the all-time high of P2.037 Billion in Revenues reported in 4Q2019. Both Cargo and Passage revenues maintained positive year-on-year and sequential growth, mainly driven by Passage.

The Passage segment continued to post strong Revenue growth in 2Q2023, increasing by 51% and 33% on a year-on-year and quarter-on-quarter base, respectively, to P540 Million. On a cumulative basis, the higher-margin Passage revenues grew 83% to P947 Million, accounting for 27% of total Revenues, up from 17% in the same period last year and higher than the 21% reported in 1H2019 before the lockdown.

On the other hand, Freight remained the biggest contributor to the Group's topline, growing 6% year-on-year in 2Q2023 to P919 Million, accounting for 50% of total Revenues. For the first half of the year, the Revenues of the Freight segment grew by 8% to P1.802 Billion.

For the quarter, the Group achieved a P188 Million Operating Profit due to a continued increase in Revenues as the economy continued to reopen, as well as 6% and 16% year-on-year declines in Cost of Sales and Services and Other Operating Expenses, respectively, caused by the continued implementation of strong cost-containment programs. Moreover, mainly due to lower Finance Costs, Chelsea brought down 2Q2023 Net Losses by 83% year-on-year to P106 Million, the lowest figure since 1Q2019.

In aggregate, the 23% increase in 1H2023 Revenues was more than sufficient to offset the increases in Cost of Sales and Services and Other Operating Expenses allowing the Chelsea Group to post a P164 Million Operating Profit, a large swing from the P288 Million loss reported during the same period last year.

Chelsea President & CEO Chrissy Alfonsus V. Damuy said, "The second quarter results have showed that the Group is on the right trajectory to profitability. As we have set out earlier, we continue to improve the four areas of our business critical to further enhancing our business: Fleet Availability, Customer Experience, Operational Excellence, and Technology Advancements. With increasing demand and traffic, we continue to activate and deploy our ships which has been laid-up for the past years. Our loyal customers will see more positive developments from us in the coming days."



## INVESTOR RELATIONS CONTACT

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Chelsea CFO Ignacia S. Braga IV added, “We thank our creditors, suppliers and stakeholders for helping us deliver the improved 2Q2023 financial results. However, we remain vigilant and will continue to work harder to return to profitability at the soonest possible time.”

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### **ABOUT THE COMPANY**

Chelsea Logistics and Infrastructure Holdings Corp. (C) is the fastest growing shipping and logistics company in the Philippines. Established on 26 August 2016, CLC was created to act as the holding company of the shipping and logistics arm business segments of the Udenna Group of Companies. On August 8, 2017, the Company went public and its shares of stock were initially listed at the Philippine Stock Exchange (PSE). The Company is engaged in shipping and logistics businesses with key segments divided into: (i) Charter, (ii) Passage, (iii) Freight, (iv) Tugboat services, and (v) Logistics services.

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